

FINANCE COMMITTEE

**APRIL 19, 2010
6:00 PM, CITY HALL ANNEX
CONFERENCE ROOM 2**

MINUTES

I. CALL TO ORDER

Chair Nancy Backus called the meeting to order 6:00 p.m. in Conference Room No. 2 located on the second floor of the City Hall Annex located at One East Main Street in Auburn. Chair Backus, Vice Chair Lynn Norman and Member John Partridge were present. Present during the meeting were Mayor Peter B. Lewis, City Attorney Daniel B. Heid, Finance Director Shelley Coleman, Public Works Director Dennis Dowdy, Chief of Police Jim Kelly, Principal Planner Elizabeth Chamberlain, and City Clerk Danielle Daskam. Members of the audience included Wayne Osborne.

II. CONSENT ITEMS

A. Approval of Minutes

1. **Minutes of the April 5, 2010 Finance Committee meeting.**
Vice Chair Norman moved and Member Partridge seconded to approve the April 5, 2010 minutes.

MOTION CARRIED UNANIMOUSLY. 3-0.

B. Vouchers

1. **Claims**
F4.9.5
Claims check numbers 393955 through 394299 in the amount of \$2,140,572.14 and dated April 19, 2010.
2. **Payroll**
F4.9.2
Payroll check numbers 528716 through 528814 in the amount of \$804,974.56 and electronic deposit transmissions in the amount of \$1,127,851.18 for a grand total of \$1,932,825.74 for the pay period covering April 1, 2010 to April 14, 2010.

Committee members reviewed the vouchers and briefly discussed voucher numbers 393974, 394142, 394257, 393986, 393992, 394115, 394201 and 394269.

Member Partridge suggested adding more description to the description field of the voucher list. He asked that repetitive information be omitted from the data entry for the description field.

Vice Chair Norman moved and Member Partridge seconded to approve the vouchers.

MOTION CARRIED UNANIMOUSLY. 3-0.

C. Bad Debt Write Off

F4.12

City Council approve the write-off of utility customer accounts, miscellaneous accounts receivable, false alarm citations, and bankruptcies:

Utility Customer Accounts:	\$ 32,341.01
Miscellaneous Accounts Receivable	\$116,727.50
False Alarm Citations	\$ 3,040.00
Project Ace Contract	\$ 51,400.00
Police Dept – Parking Citations	\$ 70,911.02

Finance Director Coleman reviewed the bad debt accounts to be written off. The bad debt write-off was previously reviewed by the Finance Committee on March 15, 2010. The Legal Department has sent collection letters to the customers advising the accounts will be turned over to collection. Once the bad debt accounts have been written off the City's books, the accounts will be turned over to collection.

Finance Director Coleman explained that the miscellaneous accounts receivable is comprised of unpaid leases, property damage billings, hydrant charges, and other miscellaneous account receivables. The parking citations to be written off are from 1999 and older. The Court's collection procedures have been improved to ensure maximum collection.

Vice Chair Norman moved and Member Partridge seconded to forward the bad debt write off to the full Council.

MOTION CARRIED UNANIMOUSLY. 3-0.

III. ORDINANCES AND RESOLUTIONS

A. Ordinances

1. Ordinance No. 6301

F6.16

An Ordinance of the City of Auburn, Washington, imposing the local sales and use tax to be credited against the state sales and use tax for purposes of utilizing local revitalization financing under Chapter 39.104 RCW; and providing for other matters properly relating thereto

Finance Director Coleman presented Ordinance No. 6301. Ordinance No. 6301 levies the .03% sales tax credit against the state sales tax for local revitalization financing. The City must set the sales tax credit each year. The sales tax credit is based on approximately \$1.2 billion in retail sales. It is anticipated that the City will collect the maximum amount allowed of \$250,000 within the first ten months. The credit is available to the City for up to twenty-five years.

IV. DISCUSSION ITEMS

A. Ordinance No. 6305

May Bond Issue

Finance Director Coleman explained that the bond issue scheduled for May 3, 2010 includes five separate issues to provide funding for the purchase of the annex space currently being leased by the City (\$22,500,000); the Local Revitalization Funding component of the promenade and open plaza/spaces (\$7,200,000); and refund the 1998 GO bonds issued for the library (\$2,285,000). The issues consist of Limited General Obligation Bonds and Build America Bonds.

Mayor Lewis reported that he and Finance Director Coleman met with representatives of Standard & Poor's last Friday in San Francisco. The City has been rated by Moody's but has never previously been rated by Standard & Poor's. Mayor Lewis reported that Standard & Poor's congratulated the City, particularly the City Council, on the low amount of debt the City carries, including the proposed bond issue. The City of Auburn is considered one of the

most stable cities in the region. The Standard & Poor's credit rating is expected on April 27, 2010.

Director Coleman stated that the bond issue will come before the Council for action on May 3. Bond pricing will also occur on May 3rd with funds available on May 13th.

Director Coleman pointed out in the Official Statement (Security for the Bonds) that the City has pledged not only the Local Revitalization Financing but also REET 2 funds for repayment of the bonds.

Mayor Lewis commended Senator Claudia Kauffman and Representative Pat Sullivan for sponsoring legislative bills for Local Revitalization Financing on behalf of the City. There are a total of five cities across the state participating in Local Revitalization Financing.

B. Auburn School District Impact Fees

Committee members reviewed the Auburn School District Impact Fee Account report submitted by the School District. The report is provided as information only.

C. Resolution No. 4589

O1.11

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and City Clerk to execute an Interlocal Agreement between the City of Auburn and the Cities of Kent, Renton, Tukwila, Federal Way and the Port of Seattle for the Valley Narcotics Team ("VNET")

Chief of Police Kelly explained that Resolution No. 4589 authorizes an Interlocal Agreement between the cities of Auburn, Kent, Renton, Tukwila, and Federal Way and the Port of Seattle for the Valley Narcotics Team. The Municipal Services Committee reviewed and approved the resolution. VNET has been in existence since the early 1980's.

D. Ordinance No. 6303

O1.8

An Ordinance of the City Council of the City of Auburn, Washington, amending Section 9.30.140 of the Auburn City Code relating to fees for appeal of alarm administrator decisions

Mayor Lewis reported that Ordinance No. 6303 has been referred back to the Municipal Services Committee for further review. Member Partridge added that the Committee wishes to take a closer look at all fees associated with false alarms.

E. Resolution No. 4591

F5.2

A Resolution of the City Council of the City of Auburn, Washington, formally accepting a grant from the Washington State Military Department in the amount of Seventy Five Thousand One Hundred Seventy Seven Dollars (\$75,177.00) from the United States Department of Homeland Security Emergency Management Performance Grant Program, and authorizing the Mayor and City Clerk to execute the necessary agreements to accept said funds

Chief of Police Kelly explained that Resolution No. 4591 authorizes the acceptance of a \$75,177 grant from Homeland Security to enhance the City's emergency management programs. The funds will be used to purchase additional equipment for the Emergency Operations Center and to enhance public education activities. This year's grant represents the fourth year the City has received the grant.

F. Resolution No. 4592

A3.16.9, O4.9

A Resolution of the City Council of the City of Auburn, authorizing the Mayor and City Clerk to execute an Interlocal Agreement with King County for the purpose of providing road services

Public Works Director Dowdy stated that Resolution No. 4592 authorizes an Interlocal Agreement with King County to complete citywide pavement marking improvements, annual bridge inspections and related repair work, and emergency call-out services for traffic signal repairs. The resolution was reviewed and approved by the Public Works Committee earlier this evening.

G. Resolution No. 4590

O1.8.3

A Resolution of the City Council of the City of Auburn, Washington, requesting that the United States Congress appropriate sufficient funds to provide for interim and permanent repairs to the Howard Hanson Dam, and requesting that the Army Corps of Engineers be

directed to make the Howard Hanson Dam permanent repairs a priority project

Mayor Lewis stated that the resolution urges the United States Congress to appropriate funds to provide for interim and permanent repairs to the Howard Hanson Dam and requests that the Army Corps of Engineers make the Howard Hanson Dam repairs a priority project. Mayor Lewis and other Mayors from the Green River Valley will be travelling to Washington, DC to meet with members of the Washington State Congressional delegation and the U.S. Army Corps of Engineers representatives to present their resolutions and discuss the status of the dam.

H. Monthly Financial Report

Committee members reviewed the February monthly financial report which is based on financial data available as of March 22, 2010.

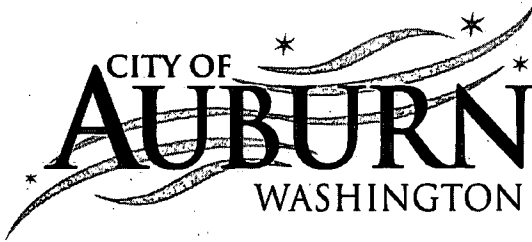
V. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 7:14 p.m.

APPROVED THE _____ DAY OF MAY 2010.

Nancy Backus, Chair

Danielle Daskam, City Clerk



FINANCE COMMITTEE

**APRIL 27, 2010
CITY HALL
COUNCIL CONFERENCE ROOM**

SPECIAL MEETING MINUTES

I. CALL TO ORDER

The meeting was called to order at 9:04 a.m. in the Council Conference Room at Auburn City Hall, located at 25 West Main Street in Auburn. Committee Members present were: Chair Nancy Backus, Vice Chair Lynn Norman, and Member John Partridge. Also present during the meeting were Mayor Peter B. Lewis, Finance Director Shelley Coleman, Finance Planning Manager Karen Jester, Financial Accounting Manager Dunyele Mason, and City Clerk Danielle Daskam. Representatives from the Washington State Auditor's Office present were: Audit Manager James Griggs and Assistant Audit Manager Michael Pursley.

II. WASHINGTON STATE AUDITOR'S OFFICE ENTRANCE CONFERENCE

The State Auditors distributed the Washington State Auditor's Office Entrance Conference handout.

Mr. Griggs introduced himself and Assistant Audit Manager Michael Pursley. Mr. Pursley indicated that he will be conducting the City's audit this year.

Mr. Griggs referred to the Entrance Conference handout and reviewed the following components of the audit process:

- ◆ Role of the State Auditor's Office
- ◆ Audit Scope
- ◆ Accountability for Public Resources and Legal Compliance
 - Cash Receipting
 - Utilities Billing and Receipting
 - General Disbursement
 - City Jail
 - Municipal Airport
 - Procurement – Public Works Projects

- ◆ Financial Statements
- ◆ Federal Compliance
 - Community Development Block Grants
 - Airport Improvement Program
 - Edward Byrne Memorial JAG Grant
- ◆ Audit Reports
 - Accountability Report
 - Financial Statement Reports
 - Single Audit Report
- ◆ Additional Required Communications
- ◆ Reporting Levels
 - Findings
 - Management Letters
 - Exit Items
- ◆ Known or Suspected Loss Notification
- ◆ Audit Contacts and Other Information

Financial Statements audits will be performed in accordance with *Government Auditing Standards* so as to give reasonable assurance about whether financial statements are free of material misstatements.

Mr. Pursley stated that audit budget is based on number of hours at \$78.50 per hour plus travel. Mr. Pursley advised that he has submitted a request to increase the budget hours from 750 to 800 hours to cover the Federal grant areas. The State allocates approximately forty hours for each major area for auditing. This year the auditing team will use an intern whose hours are billed at one hour for every three hours. The field audit work should be completed by the end of May 2010.

III. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 9:35 a.m.

APPROVED THE _____ DAY OF MAY 2010.

Nancy Backus, Chair

Danielle Daskam, City Clerk